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1983 Year-end Review

In 1983, the Pennsylvania economy was marked by high unemployment, moderate inflation, and depressed but improving economic activity in many major sectors. The state's economy hit bottom at the end of the first quarter of the year, then experienced sharp increases in the second quarter and more moderate improvement in the last two quarters. In December, economic indicators for the state were little changed from a month earlier.

Further improvement in the state's economy is anticipated in 1984, but the pace of business activity is expected to continue to lag behind the national average.

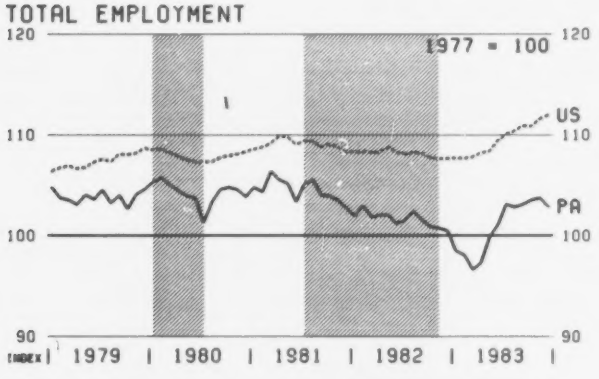
Employment

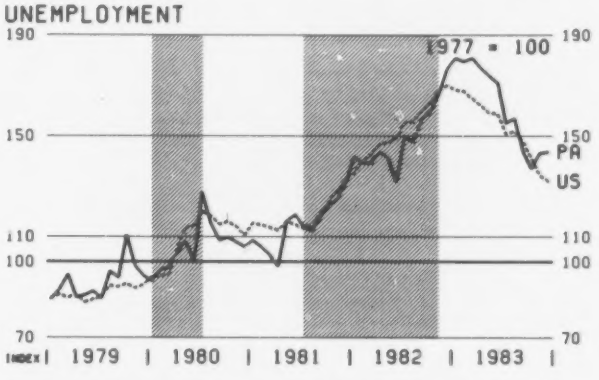
Fewer Pennsylvanians were employed on average in 1983 than in 1982 as the average number of unemployed state residents rose. The state's civilian labor force — the total of those working and those actively seeking work — was up only 0.2 percent.

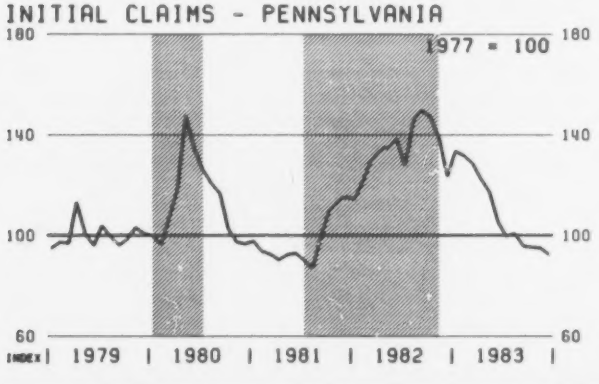
The slight increase in the labor force last year compares to no growth in 1982 and to an average annual increase of 1.5 percent from 1972 through 1981. The easing in labor-force growth in the past two years reflects a combination of demographics, including the aging of the baby-boom generation and increased rates of retirement, slower growth in the overall population, slower increases in labor force participation by women, and a larger-than-expected number of workers who are too discouraged to return to the job market after the long, deep recession.

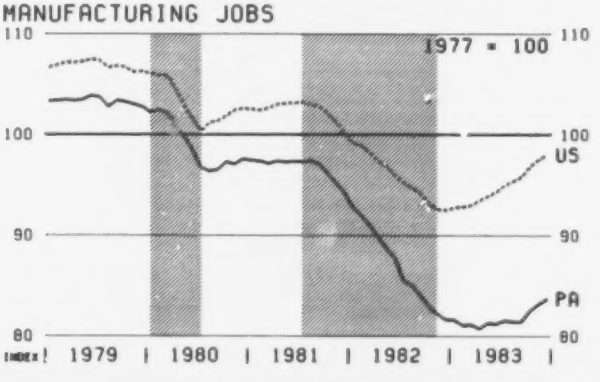
From August 1981 through March 1983, total employment in the state fell 8.5 percent. However, by July more than 72 percent of the drop had been regained. No further net gains were made in the second half of the year: the seasonally adjusted level of total employment fell 0.9 percent in December, erasing the gains of the previous three months.

A similar but reverse pattern was seen in the number of Pennsylvanians seeking work. The seasonally adjusted number of unemployed residents reached a high last March; fell sharply from April through October; and rose slightly in the last two months of the year. The seasonally adjusted unemployment rate was in double









PENNSYLVANIA BUSINESS SURVEY

College of Business Administration The Pennsylvania State University **February 1984**

digits in every month of 1983, except October, when it was 9.9 percent.

The year ended with 10.3 percent of the civilian labor force unemployed, which is significantly less than the 13.6 percent rate prevailing at the beginning of the year. Furthermore, this January's 8.3 percent jobless rate shows the state starting out 1984 with the lowest seasonally adjusted rate since August 1981.

The lower rate in January was foreshadowed by December's less than seasonal increase in new claims for unemployment compensation. A rise of over 40 percent is typical for December, but last December they rose only 32 percent. This brought the seasonally adjusted index for this measure down to its lowest level since the first months of the recession.

The rise in total resident employment in 1983 was not matched by increases in payroll employment in nonfarm industries. The average annual job levels were lower last year than a year earlier in all major sectors, except retail trade; the finance, insurance, and real estate industry group; services; and the federal government. The discrepancy in employment growth rates between the resident and establishment surveys is due to measurement and coverage differences. For instance, there has been a large increase in self-employed workers, who are included in the resident survey but not in the establishment survey.

The latter survey shows that the usual slight seasonal decline in the number of employees on nonagricultural payrolls at year's end did not take place; the employment level in these industries remained at 4.54 million in December where it stood a month earlier. The seasonally adjusted number of employees on nonfarm payrolls was only 1.7 percent higher than the recession low registered in April. During the recession, there was a 6.5 percent drop in this measure.

Economic Activity in Pennsylvania	1983 Nov.	1983 Dec.	1982 Dec.	Seasonally Adjusted Indexes (1977 = 100) 1983 Nov.	1983 Dec.	1982 Dec.
Pennsylvania Industries						
All nonagricultural industries						
No. of wage and salaried jobs (thous.)[1]	4,543.*	4,543.	4,479.	98.6	98.9	97.5
Nonmanufacturing						
No. of wage and salaried jobs (thous.)	3,421.*	3,421.	3,384.	105.0*	105.3	104.1
Manufacturing						
No. of wage and salaried jobs (thous.)	1,118.*	1,119.	1,092.	83.2*	83.7	81.7
Ave. wkly. hrs. worked by prod. workers	40.3*	40.2	38.7	100.8*	100.4	96.6
Total wkly. person-hours worked (mils.)	31.1*	30.9	28.4	79.8*	79.7	73.2
Total wkly. payroll (mil. dols.)	284.3*	285.0	251.6	124.3*	124.1	109.7
Steel production (thous. tons)	1,224.	1,166.	587.	61.	58.	29.
Industrial electric power sales (mil. kwh)	3,515.	3,476.	2,999.	97.	97.	83.
Mining						
Anthracite coal (thous. net tons)	410.	368.	410.	73.	80.	88.
Bituminous coal (thous. net tons)	5,511.	5,308.	5,394.	73.	74.	76.
Construction contracts awarded (mil. dols.)						
Total	411.7	455.5	311.7*	129.	161.	105.*
Residential building	194.3	167.2	106.6*	146.	153.	95.*
Other building	155.6	165.7	150.0*	115.	167.	137.*
Nonbuilding (utilities and public works)	61.8	122.6	55.1*	118.	168.	74.*
Employment of Pennsylvania Residents						
Employed, no. of persons (thous.)	5,051.	4,934.	4,823.	103.7	102.8	100.5
Unemployed						
No. of persons (thous.)	550.	560.	691.	143.2	143.5	176.5
Rate (percentage of labor force)	9.8	10.2	12.5			
Rate, seasonally adjusted	10.3	10.3	12.6			
Civilian labor force, no. of persons (thous.)	5,601.	5,494.	5,514.	106.8	105.9	106.3
Initial claims for unemployment benefits	137,199.	181,414.	253,225.	95.2	92.5	123.6

Consumer Prices, all items	Urban Indexes (1967 = 100) 1983 Nov.	1983 Dec.	1982 Dec.	Percentage Change Month Ago	Year Ago
U.S. city average	303.1	303.5	292.4	+0.1	+3.8
Philadelphia	291.7	291.8	281.6	0.0	+3.6
Pittsburgh	n.a.	314.3	302.1	n.a.	+4.0
Northeast PA	288.5	n.a.	279.4†	n.a.	+3.3

NOTES: Data on employment have been revised to first quarter 1982 benchmarks.
[1] Total includes workers on strike. * = figure revised † = figure for Nov. 1982 n.a. = data not available
SOURCES AND DEFINITIONS OF DATA ARE AVAILABLE ON REQUEST.

Prices

Moderate price increases were prevalent in 1983. Philadelphia experienced a 3.6 percent increase in consumer prices between December 1982 and December 1983 while Pittsburgh had a 4 percent rise. These annual inflation rates compare to a 3.8 percent U.S. city average and were the lowest since 1972 when price controls were in effect.

The rate of inflation in consumer prices was even lower in the Northeast urban area, which had a 3.3 percent increase between November 1982 and November 1983. This was the smallest rise since 1976. December price data are not available for the Northeast.

The 1983 inflation rates were down from double digit highs registered in 1980. Philadelphia had a 12 percent increase in consumer prices that year, Pittsburgh had a 14.3 percent increase, and the Northeast a 13.8 percent increase. The U.S. city average percentage rise in 1980 was 12.4 percent. Inflation is expected to pick up in 1984 but to remain below half the size of these high 1980 rates.

Industrial Activity

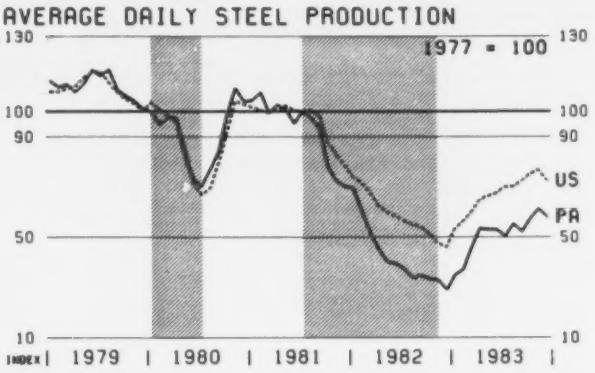
Industrial activity, as reflected in sales of electricity to industrial users, did not pick up any momentum in December: the level of sales fell only the usual seasonal amount. At year's end, the seasonally adjusted level of sales was 16.5 percent higher than the recession low reached last December but remained 89.2 percent of the level of July 1981, the first month of the recession.

Although industrial electric power sales is one of the broadest measures of industrial activity that we have for the state, the more than 10 percent shortfall in the level of sales from their pre-recession peak may be understating the progress the economy made in the 1983 recovery period. This is because manufacturing industries, which are heavier users of electricity than industries in the service-producing sector, have lost some of their influence on the overall economy while the service sector's influence has grown.

The manufacturers of durable goods were especially hard hit during the recession, and many are not expected to return to pre-recession production levels. At the same time, the service sector has been growing and is expected to continue to grow. In the ten-year period from 1973 to 1983, the percentage of all nonfarm payroll jobs in Pennsylvania that were in the manufacturing sector fell from 32.8 percent to 24.5 percent while the percentage of these jobs in the service-producing sector rose from 61.6 percent to 71 percent.

The performance of each of the major sectors of the Pennsylvania economy in 1983 is discussed in turn below.

Manufacturing. Historically, Pennsylvania has had a higher percentage of jobs in manufacturing industries than the nation as a whole. The gap between the nation and the state has narrowed but is still evident. In 1983, average monthly payroll employment in the nation's manufacturing industries dropped less than 1 percent and accounted for one out of every five nonfarm industry



jobs while in the state there was a 6 percent drop in employment in these industries, which included one out of every four nonfarm industry jobs.

Total factory person-hours worked and total factory payrolls in Pennsylvania also declined in 1983 while they increased nationwide. Furthermore, after adjusting for inflation and seasonal variation, payrolls in the state at the end of the year were still only about 83 percent of their pre-recession level.

The disparity between the impact of the recession and the pace of the recovery in the state's manufacturing industries compared to the nation's is due to the loss of Pennsylvania's comparative advantage in some heavy manufacturing industries.

For example, up until 1982, Pennsylvania was the leading steel-producing state. But in 1982 the state lost this distinction to Indiana and Ohio to become the third largest producer of steel. In 1983, Pennsylvania's share of total U.S. production rose to 15.6 percent from 14.9 percent a year earlier. But it still ranked third behind Indiana's 24.2 percent and Ohio's 17.5 percent and was significantly below the more than 20 percent share prevailing before the recession.

The plight of the state's steel industry is due to a combination of factors, including foreign competition spurred on over the years by falling shipping costs, rising labor costs in the U.S., and discoveries of raw materials in other parts of the world; changing

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technologies in the manufacture of steel, which do not rely as heavily on the iron ore and coal deposits that led to Pennsylvania's early dominance in the industry; and changing markets for steel, which has resulted from, among other things, the completion of the major highway systems in the U.S. and the reduced steel content of today's automobiles.

Although the state's steel industry will never hold the position in the state's economy that it has in the past, it is recovering some of the strength lost during the recession. The seasonally adjusted average daily production of steel in the state was 40,700 net tons at the end of 1983, which is twice the 20,400 net tons produced at the end of the preceding year. Furthermore, although the monthly average level of employment in the primary metals industry group was 13.4 percent lower than the previous year's average, it was 8.5 percent higher in December 1983 than it was in December a year earlier. Some further employment increases are expected in 1984 because the average length of the workweek in the state's primary metals industries in November and December at 41.1 hours was the highest it has been in four years. But the increases are not expected to be dramatic nor to bring employment back up to pre-recession levels.

Demand for steel used in capital goods, such as plates, bars, and structural steels, which are the primary products of the Pennsylvania steel plants, remains sluggish. Despite the substantial increase in spending on plant and equipment, demand for steel remains weak because the spending will not be as steel-intensive as it was only a few years ago. There is higher spending on foreign-made capital goods, greater use of substitutes, and a greater emphasis on improving productivity

Annual Review of Major Economic Indicators — Pennsylvania and the United States

	Pennsylvania			United States		
	1982*	1983*	Percentage Change	1982*	1983*	Percentage Change
No. of wage and salary jobs[P]						
All nonfarm industries	4,566	4,473	– 2.0	89,596	89,987	+ 0.4
Goods-producing industries	1,380	1,292	– 6.4	23,907	23,649	– 1.1
Mining	46	42	– 8.7	1,143	1,021	–10.7
Construction	167	153	– 8.4	3,911	3,949	+ 1.0
Manufacturing	1,167	1,097	– 6.0	18,853	18,678	– 0.9
Durable goods	685	625	– 8.8	11,100	10,931	– 1.5
Primary metals	142	123	–13.4	922	839	– 9.0
Nondurable goods	482	473	– 1.9	7,753	7,747	– 0.1
Service-producing industries	3,182	3,175	– 0.2	65,689	66,338	+ 1.0
Transportation and public utilities	248	241	– 2.8	5,081	4,943	– 2.7
Wholesale trade	239	234	– 2.1	5,280	5,231	– 0.9
Retail trade	731	734	+ 0.4	15,122	15,276	+ 1.0
Finance, insurance, and real estate	239	240	+ 0.4	5,340	5,456	+ 2.2
Services and miscellaneous	1,045	1,058	+ 1.2	19,064	19,685	+ 3.3
Federal government	133	135	+ 1.5	2,739	2,753	+ 0.5
State and local government	547	535	– 2.2	13,064	12,994	– 0.5
Ave. wkly. hours worked by production workers						
All manufacturing industries	38.4	39.2	+ 2.1	38.9	40.1	+ 3.1
Durable goods	39.1	40.3	+ 3.1	39.3	40.7	+ 3.6
Primary metals	37.1	39.5	+ 6.5	38.6	40.5	+ 4.9
Nondurable goods	37.4	37.9	+ 1.3	38.4	39.4	+ 2.6
Total factory person-hours worked *(mils.)*	30.6	29.3	– 4.1	497.7	509.7	+ 2.4
Total factory payrolls *(mil. dols.)*	264	263	– 0.4	4,231	4,506	+ 6.5
Steel production *(thou. tons)*	908	1,086	+19.6	6,075	6,948	+14.4
Industrial electric power sales *(mil. kwh)*	3,316	3,382	+ 2.0	62,070	64,088#	+ 3.3
Mining						
Anthracite *(thou. net tons)*[1]	382	333	–12.8			
Bituminous *(thou. net tons)*	6,231	5,183	–16.8	69,460	65,073	– 6.3
Construction contracts awarded						
Total, current dollars *(mils.)*	375.2	404.0	+ 7.7	13,020.0	16,062.6	+23.4
Residential building	126.5	184.3	+45.7	4,934.2	7,766.7	+57.4
Nonresidential building	147.9	138.0	– 6.7	4,966.2	5,158.7	+ 3.9
Nonbuilding (utilities and public works)	100.9	81.8	–18.9	3,119.7	3,137.1	+ 0.6
Employed, no. of persons *(thous.)*	4,883	4,846	– 0.8	99,526	100,834	+ 1.3
Unemployed						
No. of persons *(thous.)*	599	649	+ 8.4	10,678	10,717	+ 0.4
Rate *(percentage of labor force)*	10.9	11.8		9.7	9.6	
Civilian labor force, no. of persons *(thous.)*	5,482	5,495	+ 0.2	110,204	111,550	+ 1.2
Initial claims for unemployment benefits *(thous.)*	190	156	–17.6	2,525	1,924	–23.8
Consumer Price Index for All Urban Consumers, all items (1967 = 100)						
U.S. city average				289.1	298.4	+ 3.2
Philadelphia	279.0	287.1	+ 2.9			
Pittsburgh	288.0	308.4	+ 7.1			
Northeast PA	273.8	283.1	+ 3.4			

* Average of monthly figures.
\# Average of monthly figures for 10 months.
[1] Pennsylvania is the only state mining anthracite.
[P] Pennsylvania employment figures are based on preliminary data for December 1983.
U.S. employment figures are based on preliminary data for November and December 1983.

through the use of more electronic parts and fewer mechanical ones. Therefore, the primary metals industry group is not expected to account for much more than the 2.7 percent of all nonfarm industry jobs that it did in 1983 and is certainly not expected to regain the almost 5 percent share prevailing in 1973.

Other manufacturing industries have also been losing their foothold in the state's economy. Employment in durable goods manufactures other than primary metals dropped more than 24 percent in the past decade and accounted for 11.3 percent of payroll jobs in all nonfarm industries in 1983, down from 14.7 percent in 1973. Nondurable goods manufactures have lost one-fifth of their workers in the past decade, which has reduced their share of all nonfarm jobs from 13.2 percent in 1973 to 10.6 percent in 1983.

Mining. Pennsylvania's relative position in the nation's mining industry has been shrinking for an even longer time. However, the state's mining industries manifested more strength in the 1983 recovery period than mining industries nationwide.

The production of anthracite coal, which is mined exclusively in Pennsylvania, has steadily declined from 1917, when the nation depended on coal for nearly all energy and heat, through 1979, when it experienced a slight comeback but after which it began to decline again. Last year only 4 percent of the all-time high of almost 100 million tons was mined. Furthermore, although production trended upward thoughout 1983 and may continue to improve this year, anthracite coal, which was used primarily for home heating, will not regain its past glory.

The production of bituminous coal, which is used to produce heat for electric power plants and for certain manufacturing processes and to produce coke for the manufacture of steel, has increased significantly in the past two decades. However, because western coal is cheaper to extract, is closer to market growth, and is of a lower sulfur content and therefore less polluting when burned, Pennsylvania has lost market share to the western states. A high of 141 million net tons of bituminous coal was mined in Pennsylvania in 1943, which accounted for 24 percent of the 590 million tons mined in the nation that year. Last year, the state produced only 62 million net tons or 8 percent of the 781 million net tons produced nationally. The state's production was down 16.8 percent in 1983 from a year earlier while total national production declined only 6.3 percent.

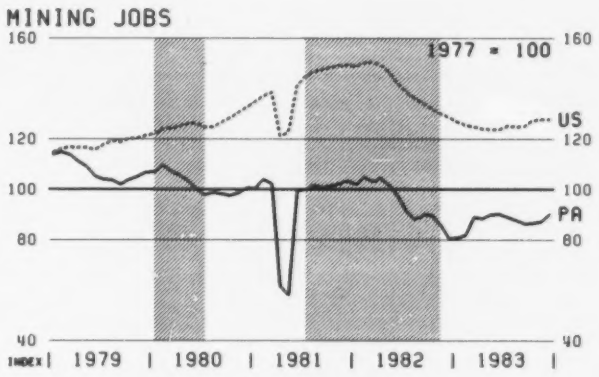
Nevertheless, employment in mining industries showed greater strength in the state than in the nation last year. The average monthly job level in Pennsylvania's mining industries in 1983 was 8.7 percent below its year-earlier level. At year's end, nearly 40 percent of the mining jobs in the state lost during the recession had been regained. In comparison, average payroll employment in mining industries nationwide dropped 10.7 percent in 1983 from the 1982 level, and by year's end only 15 percent of the jobs lost during the recession had been regained.

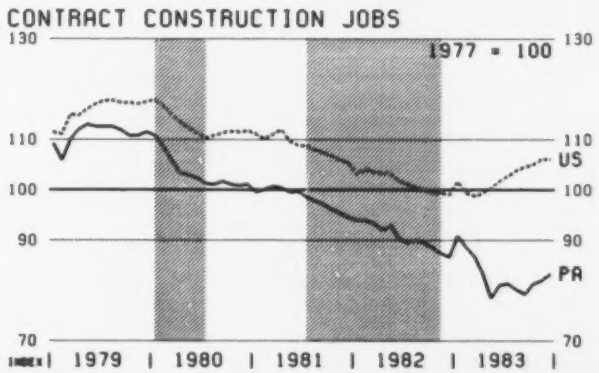
Moderate increases in production and employment in this sector are expected for 1984. The industry's performance depends on such factors as national policies on acid rain and other environmental matters; the small projected increase in demand from the steel industry as the industry contracts and technology improves the efficiency of steel-making processes; moderate anticipated increases in demand from other manufacturing industries and electric utilities; and continued weakness in the demand for exports from their 1981 record high.

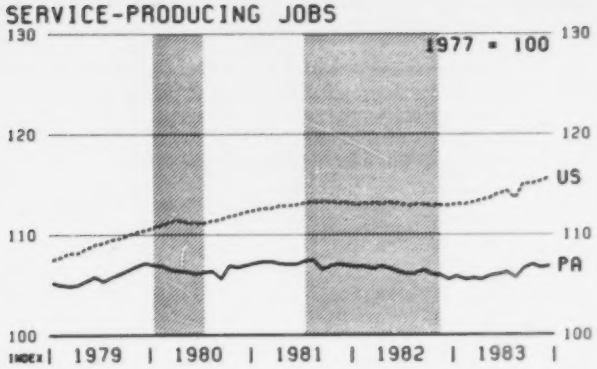
Construction. Activity in Pennsylvania's construction industries also remained sluggish last year, lagging behind the national recovery in this industry group. The state's average monthly level of payroll employment in construction industries in 1983 was 8.4 percent lower than the average level for 1982 while the national average last year was 1 percent higher than the year-earlier figure.

Furthermore, while the value of contract construction awards in the state last year was 7.7 percent ahead of the value a year earlier, this compares to an increase of 23.4 percent in the nation as a whole.

All of Pennsylvania's increase in the value of awards came from residential building contracts, which rose 45.7 percent in value from a year earlier. The value of nonresidential building awards were 6.7 percent lower than the 1982 value while the value of nonbuilding awards, which includes utilities and public works construction, was 18.9 percent lower. Residential building awards accounted for nearly 46 percent of the







value of all awards in 1983 while in 1982 they accounted for only one-third.

Building activity was more brisk in the eastern half of the state than in the western half. The value of contract construction awards in 1983 was 3 percent lower than a year earlier in the western part of the state, which includes Altoona, Erie, Johnstown, Pittsburgh, and Sharon. In the eastern half of the state, which includes the other nine major metropolitan areas, the value of awards was 14 percent ahead of the year-earlier figure.

The outlook for construction industries depends on the level of interest rates. In 1984, rates are expected to remain stable. Therefore, steadily improving conditions can be expected at least through the end of the year. However, the nation will probably continue to lead the state and the eastern half of the state to lead the western half as the economy in this region undergoes structural adjustments.

Services. The service-producing sector fared much better than the goods-producing sector the past few years, as is typical in cyclical downswings. In 1983, the state had only a slight drop of 0.2 percent from a year earlier in the average monthly level of employment in this sector, which includes such diverse industries as transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; government; and miscellaneous services.

A statewide drop of only 1.3 percent in the employment level took place in these industries during the recession, and almost 70 percent of these jobs were regained by the end of last year. In addition, employment in federal government and the finance, insurance, and real estate and the miscellaneous service groups have reached pre-recession highs.

As in the goods-producing industries, progress in the state in these industries has lagged behind that in the nation as a whole. However, the pattern of growth in this sector projected for the nation by the Bureau of Labor Statistics (BLS) should be pretty much the same for the state.[1] Their projections are summarized below.

* BLS projects that the miscellaneous service sector will provide the most new job opportunities over the next decade and a half, with these jobs spread among various industries, from health services to business and professional services to amusements and recreation.

Health services is a very significant sector in terms of both number of jobs and rate of expansion. In January of this year, there were 370,500 payroll employees in Pennsylvania's health services industries, which accounts for 9.7 percent of all nonfarm, nongovernment jobs in the state. This is up from 8.3 percent just three years ago.

Demand for medical care services is expected to increase as the population ages and as new technologies are introduced. However, because of sharply increasing costs, it is expected that the growth in output and employment in health care services will slow from historical rates.

BLS predicts business services to experience the most rapid growth between 1982 and 1995. This industry, which includes personnel supply, business consultants, janitorial and protective services, and computer and data processing services, is currently the fourth largest employer in the state. Only health services, eating and drinking establishments, and wholesale trade of durable goods employ more workers. Business services account for 3.8 percent of all nonfarm, nongovernment jobs in Pennsylvania, up from 3.4 percent in early 1981.

Educational services are also expected to experience a slight upturn in employment beginning in 1984 as the children of the baby-boom generation advance through school. This service industry currently accounts for 3.3 percent of nonfarm, nongovernment jobs in Pennsylvania up from 2.7 percent three years earlier.

* Employment in wholesale and retail trade is expected to grow along with the rest of the economy, at a slower than historical rate. According to BLS projections, the largest number of new job openings in retail trade will be in eating and drinking establishments, which currently account for 5.8 percent of nonfarm, nongovernment jobs in Pennsylvania, up from 5 percent in early 1981.

* Employment growth in financial and banking services is expected to be modest while large gains in the industry's output is predicted. Automatic teller machines and computerized banking and stock transactions will limit job gains.

* Transportation, communications, and public utilities are also not expected to contribute significantly to overall job growth. However, output of this sector is projected to lead all other sectors in growth, reflecting the strong demand for new telecommunication services, as well as the divestiture of the telephone company.

— Norma I. Gavin

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[1] Valerie A. Personick, "The Job Outlook Through 1995: Industry Output and Employment," *Monthly Labor Review*, vol. 106, no. 11 (November 1983), pp. 24-36.

Around the State

Southeastern Quarter

Harrisburg

Compared to other metropolitan areas, the Harrisburg area proved to have one of the most stable economies in the state. The area had virtually the same annual average nonfarm industry job level in 1983 as it did in 1982, whereas all the other metropolitan areas in the state, except Reading, lost jobs. Furthermore, Harrisburg had the state's second lowest average monthly unemployment rate for the year.

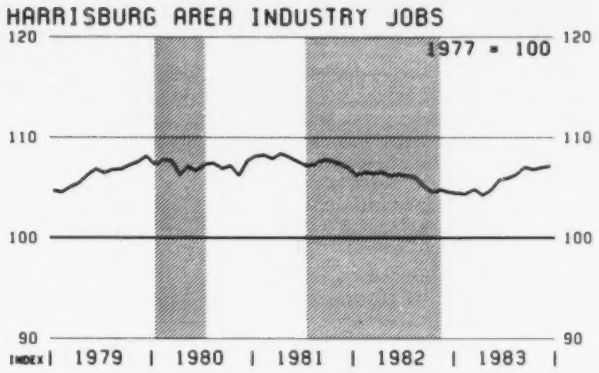
Government and service industries are the predominate employers in the area. These industry groups are typically the least sensitive to business cycle swings and therefore are primarily responsible for the area's stability. However, Harrisburg's manufacturing industry has also fared relatively well throughout the recession and sustained only minimal losses during the year.

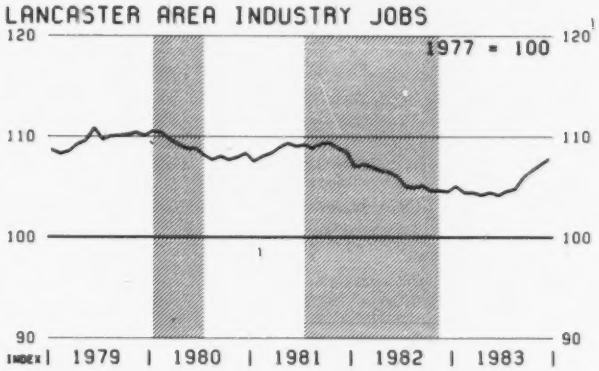
The average length of the factory workweek increased moderately this year, finishing the fourth quarter slightly above 40 hours a week. A slight increase was also seen in sales of electric power to industrial users, a short-run indicator of increases in industrial output.

The area's construction industry also showed improvement in 1983. The value of contracts awarded for nonresidential buildings rose sharply during the fourth quarter and increased 9 percent for the year. The value of residential contracts increased 46 percent from the 1982 level.

Lancaster

The Lancaster area economy showed improvements in the final quarter of 1983 from the third quarter of the year and fared well last year on average compared to other metropolitan areas in the state. The area's 6.6 percent annual average unemployment rate in 1983 was





the lowest among the state's metropolitan areas.

Job levels in both manufacturing and nonmanufacturing industries rose during the fourth quarter, as did the average length of the factory workweek. In addition, although the average factory job level dropped 2.3 percent from 1982 to 1983, only two areas in the state — Reading and Harrisburg — showed stronger manufacturing employment levels.

Industrial electric power sales, which reflect short-run changes in industrial output, increased sharply from 1982 levels.

The area's construction industry has also shown signs

Harrisburg Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	229.3	113.	113.	109.
Unemployed, no. of residents	13.9	122.	121.	144.
Civilian labor force, no. of residents	243.2	114.	113.	111.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	223.1	107.	107.	105.
Nonmfg. only, no. of jobs	182.3	108.	108.	106.
Mfg. only, no. of jobs	40.7	102.	99.	97.
Hrs. worked by production workers in mfg., *ave. weekly*	40.1	101.	101.	98.
Industrial electric power sales	***	93.	92.	76.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	20.7	– 35.1	+16.9
Nonresidential bldg. contracts only	45.8	+132.5	–17.8

[1]Cumberland, Dauphin, and Perry Counties.

Lancaster Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	179.4	113.	111.	108.
Unemployed, no. of residents	13.7	126.	129.	170.
Civilian labor force, no. of residents	189.4	113.	112.	111.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	152.6	107.	105.	105.
Nonmfg. only, no. of jobs	97.0	113.	111.	111.
Mfg. only, no. of jobs	55.6	98.	97.	95.
Hrs. worked by production workers in mfg., *ave. weekly*	40.7	101.	101.	96.
Industrial electric power sales	***	116.	113.	95.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	32.8	+ 7.2	+73.5
Nonresidential contracts only	3.6	– 16.3	–52.0

[1]Lancaster County

of improvement. The value of residential construction contracts rose 7.2 percent during the fourth quarter of 1983, and the annual total was 77 percent higher than the 1982 total. However, the value of contracts awarded for nonresidential buildings fell 16.3 percent in the fourth quarter and the annual total for 1983 was 60 percent below the 1982 value.

Philadelphia

The Philadelphia area economy ended the year on an upbeat note. The average nonfarm industry job level fell less than 1 percent in 1983 from its 1982 level. Only the Reading and Harrisburg areas fared better in this measure.

In addition, Philadelphia's average jobless rate in 1983 remained essentially unchanged from 1982 at 8.5 percent of the work force. The jobless rate steadily improved over the year, falling from a high of 9.3 percent in the first quarter to 7.7 percent in the fourth quarter.

Although the area experienced some job losses in manufacturing industries, jobs were gained by the nonmanufacturing sector. Job losses occurred primarily in durable goods production.

Philadelphia's construction industry showed signs of recovery in 1983, with the value of contracts awarded for both residential and nonresidential buildings up from 1982 levels. Residential building awards were up 61 percent while nonresidential building awards were up only 7 percent.

The average length of the factory workweek increased moderately during the year to just above 40 hours in the fourth quarter. Sales of electric power to area industries also rose, indicating short-run improvements in industrial output.

	Altoona		Erie		Harrisburg		Johnstown	
	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983
Local Industries								
No. of wage and salary jobs *(thous.)*[P]								
All nonfarm industries	45.6	– 3.2	105.2	– 2.2	219.9	– 0.0	73.8	– 5.0
Manufacturing	11.0	– 6.8	34.6	– 8.2	39.4	– 1.3	12.4	– 13.3
Durable goods	4.9	– 3.9	25.4	– 10.9	18.3	– 4.2	6.8	– 21.8
Nondurable goods	6.0	– 9.1	9.1	– 2.2	21.1	+ 1.4	5.6	0.0
Nonmanufacturing	34.5	– 2.5	69.5	– 0.4	180.4	+ 0.2	61.3	– 3.3
Ave. wkly. hours worked by production workers								
Manufacturing	38.6	+ 0.5	40.6	+ 1.8	39.3	+ 1.6	36.0	+ 1.7
Durable goods	38.7	– 1.0	40.0	+ 2.0	39.8	+ 2.3	38.0	+ 4.1
Nondurable goods	38.5	+ 1.9	42.6	+ 1.2	39.0	+ 1.0	34.2	+ 1.5
Industrial electric power sales index *(1977 = 100)*	78	– 4.9	80	– 1.2	87	+ 1.2	85	– 19.0
Construction contracts awarded *(mil. dols.)*								
Residential building	1.6	+ 6	2.9	+ 2	7.8	+46	4.0	+ 38
Nonresidential building	0.5	–70	3.6	+89	7.6	+ 9	5.6	– 56
Employment of Residents								
Employed, no. of persons *(thous.)*	48.0	– 2.2	108.4	– 2.2	221.1	+ 0.7	85.1	– 3.7
Unemployed								
No. of persons *(thous.)*	8.8	+18.9	18.4	+21.1	16.0	0.0	21.3	+ 19.0
Rate *(percentage of labor force)*	15.6		14.5		6.8		20.0	
Civilian labor force, no. of persons *(thous.)*	56.9	+ 0.7	126.8	+ 0.6	237.1	+ 0.6	106.4	0.0

	Lancaster		Lehigh Valley		Northeast PA		Philadelphia	
	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983
Local Industries								
No. of wage and salary jobs *(thous.)*[P]								
All nonfarm industries	148.9	– 0.5	245.6	– 2.9	230.2	– 1.2	1,893.6	– 0.3
Manufacturing	54.3	– 2.3	87.3	– 7.1	61.8	– 3.7	386.3	– 3.7
Durable goods	32.0	– 2.4	39.7	– 14.1	25.0	– 2.7	203.0	– 4.7
Nondurable goods	22.4	– 1.8	47.5	– 0.6	36.8	– 4.4	183.3	– 2.6
Nonmanufacturing	94.5	+ 0.6	158.0	– 0.5	168.2	– 0.3	1,505.0	+ 0.5
Ave. wkly. hours worked by production workers								
Manufacturing	39.3	+ 2.3	37.9	+ 0.3	37.2	+ 2.2	39.3	+ 0.5
Durable goods	40.3	+ 3.3	40.8	+ 0.7	41.5	+ 1.7	40.1	+ 0.5
Nondurable goods	38.1	+ 1.3	36.0	+ 1.7	34.6	+ 2.1	38.2	+ 0.8
Industrial electric power sales index *(1977 = 100)*	109	+11.2	102	+ 3.0	98	+ 1.0	97	+ 2.1
Construction contracts awarded *(mil. dols.)*								
Residential building	8.9	+77.	14.5	+85	9.3	+63	73.4	+61
Nonresidential building	1.5	–60	9	+ 3	4.7	– 4	65.8	+ 7
Employment of Residents								
Employed, no. of persons *(thous.)*	171.8	+ 0.8	271.6	– 1.7	255.4	0.0	2,019.0	+ 1.0
Unemployed								
No. of persons *(thous.)*	12.0	–11.8	35.7	+ 5.6	34.4	+ 4.6	188.2	– 0.3
Rate *(percentage of labor force)*	6.6		11.6		11.9		8.5	
Civilian labor force, no. of persons *(thous.)*	183.8	– 0.2	307.2	– 0.9	289.8	+ 0.5	2,207.2	+ 0.9

* Average of monthly figures.

[P] Employment figures are based on preliminary data for December.

Reading

The economy in the Reading area picked up dramatically during 1983. Among Pennsylvania's 14 metropolitan areas, only the Reading area saw increases in average employment levels in manufacturing and total nonfarm industries. The area also had the smallest percentage decline in the job level for durable goods industries.

Sales of electric power to area industries rose in every quarter of the year and was 13 percent above the 1982 average. The factory workweek also increased in length throughout the year. At year's end, production workers averaged about 41 hours a week.

With the fourth lowest average unemployment rate among the state's metropolitan areas, the Reading area held out well during the latest recession. Employment in the area increased last year by 1.8 percent — the highest percentage increase in the state — lowering the area's unemployment rate to 9.4 percent of the civilian labor force.

Construction activity picked up considerable momentum in the area during 1983. Both the value of contract awards for residential building construction and the value for nonresidential building construction were up from values a year ago. Residential building awards were 82 percent ahead of the year-earlier value while nonresidential building awards were 25 percent ahead.

York

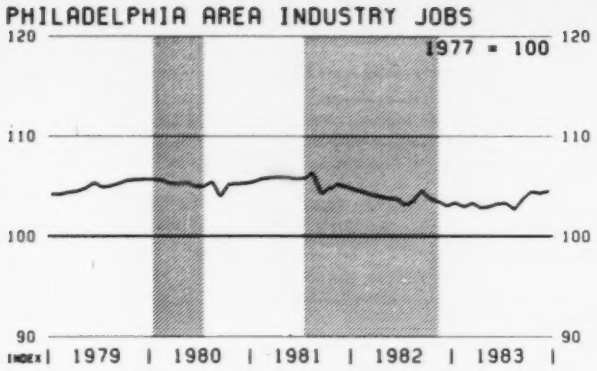
The York area's unemployment level showed a slight increase during the fourth quarter of 1983, but the average unemployment rate for the year remained at its 1982 level of 10.9 percent.

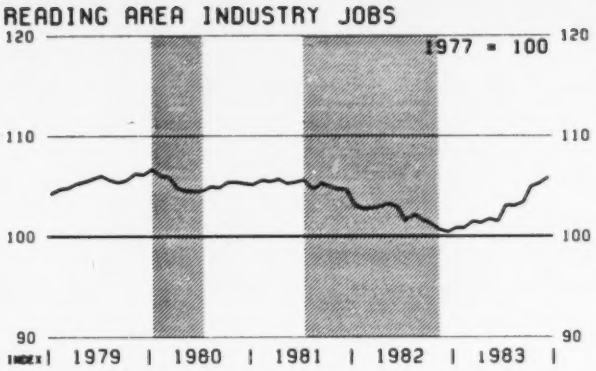
	Pittsburgh		Reading		Sharon		State College	
	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983
Local Industries								
No. of wage and salary jobs *(thous.)*[P]								
All nonfarm industries	847.5	– 4.6	135.5	+ 0.7	39.2	– 7.1	45.2	– 0.4
Manufacturing	167.3	–13.4	50.5	+ 1.6	10.4	– 18.8	7.1	– 5.3
Durable goods	127.1	–16.3	28.3	– 0.4	9.3	– 20.5	4.8	– 5.9
Nondurable goods	40.2	– 2.9	22.1	+ 3.8	1.1	0.0	2.3	0.0
Nonmanufacturing	679.2	– 1.9	84.9	0.0	28.8	– 2.0	38.1	+ 0.5
Ave. wkly. hours worked by production workers								
Manufacturing	39.5	+ 3.4	39.9	+ 3.6				
Durable goods	39.5	+ 3.9	41.1	+ 4.3				
Nondurable goods	39.5	+ 1.5	38.3	+ 2.7				
Industrial electric power sales index *(1977 = 100)*	67	+ 2.9	113	+13.0	107	+ 17.6	93	+ 4.5
Construction contracts awarded *(mil. dols.)*								
Residential building	30.7	+28	5.4	+82	1.8	+105	3.3	+90
Nonresidential building	33.1	–26	3.0	+25	1.2	– 74	1.5	+31
Employment of Residents								
Employed, no. of persons *(thous.)*	878.4	– 3.5	145.1	+ 1.8	43.6	– 5.6	45.9	+ 0.7
Unemployed								
No. of persons *(thous.)*	149.7	+17.1	15.0	– 5.7	9.6	+ 6.7	5.4	+12.5
Rate *(percentage of labor force)*	14.6		9.4		18.1		10.6	
Civilian labor force, no. of persons *(thous.)*	1,028.0	– 0.9	160.1	+ 1.1	53.2	– 3.6	51.4	+ 2.0

	Williamsport		York	
	1983*	Percentage Change 1982-1983	1983*	Percentage Change 1982-1983
Local Industries				
No. of wage and salary jobs *(thous.)*[P]				
All nonfarm industries	43.3	– 3.1	148.7	– 1.4
Manufacturing	14.0	– 9.7	57.2	– 4.3
Durable goods	7.7	–17.2	34.7	– 6.5
Nondurable goods	6.3	+ 1.6	22.4	– 1.3
Nonmanufacturing	29.2	0.0	90.6	0.0
Ave. wkly. hours worked by production workers				
Manufacturing	38.9	– 1.3	40.7	+ 1.8
Durable goods	39.9	0.0	41.5	+ 2.2
Nondurable goods	37.8	– 1.8	39.8	+ 1.8
Industrial electric power sales index *(1977 = 100)*	91	– 1.1	94	+ 4.4
Construction contracts awarded *(mil. dols.)*				
Residential building	0.1	+89	6.6	+17
Nonresidential building	0.8	+52	2.8	–40
Employment of Residents				
Employed, no. of persons *(thous.)*	45.0	– 2.0	161.2	– 0.3
Unemployed				
No. of persons *(thous.)*	7.6	+16.9	19.8	– 0.5
Rate *(percentage of labor force)*	14.6		10.9	
Civilian labor force, no. of persons *(thous.)*	52.6	+ 0.4	181.0	– 0.3

* Average of monthly figures.

[P] Employment figures are based on preliminary data for December.





The area lost jobs throughout the manufacturing sector in 1983, with the greatest losses in durable goods industries. However, the factory job level was up in the fourth quarter, and increases in working hours pushed the average length of the factory workweek to its highest level in four years.

Sales of electric power to industries — a short-run indicator of industrial activity — were up sharply in the fourth quarter, bringing the average monthly figure for the year to 4.4 percent above the 1982 average.

But the area's construction industry was not as active as those in most other areas of the state. For 1983, the value of residential building awards was 17 percent ahead of the 1982 value for the area; this compares to a statewide increase of almost 46 percent. Furthermore, the area's value of awards for nonresidential buildings was 40 percent behind the 1982 value.

Philadelphia Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'83	4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	2,094.7	109.	108.	106.
Unemployed, no. of residents	162.7	95.	103.	110.
Civilian labor force, no. of residents	2,257.3	108.	108.	106.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	1,923.7	104.	103.	103.
Nonmfg. only, no. of jobs	1,532.5	110.	109.	109.
Mfg. only, no. of jobs	390.8	87.	86.	87.
Hrs. worked by production workers in mfg., *ave. weekly*	40.3	100.	100.	97.
Industrial electric power sales				
Metropolitan area	***	99.	100.	95.
Chester	***	92.	97.	94.
Philadelphia	***	98.	99.	95.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	273.7	+17.9	+100.8
Nonresidential contracts only	238.8	−10.1	+ 75.8

[1] Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties, Pa., and Burlington, Camden, and Gloucester Counties, N.J.

Northeastern Quarter

Lehigh Valley

In 1983, the Lehigh Valley area saw declines in the average level of manufacturing and nonmanufacturing employment and an increase in the average monthly jobless rate.

Most of the manufacturing job losses were in the durable goods sector, which showed a 14.1 percent decrease from its 1982 job level. The nondurable goods industry experienced only a slight 0.6 percent decline in employment.

Total employment of area residents declined 1.7 percent, which pushed the unemployment rate up to an average 11.6 percent for the year.

However, the average length of the factory workweek showed some improvements over 1982 levels. Increases in this measure usually foreshadow increases in employment levels. In addition, after seasonal adjustment, the fourth-quarter factory job level was 1.8 percent above the recession low registered in the second quarter of the year.

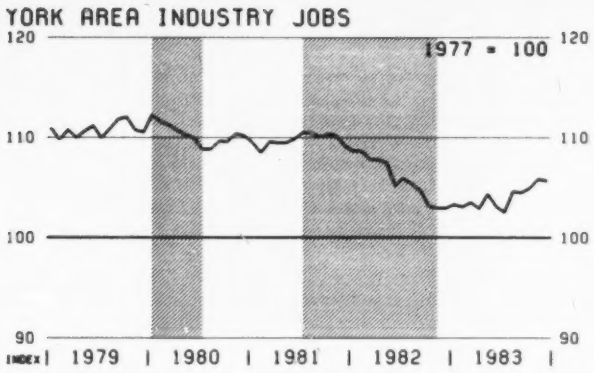
The value of construction contracts also showed improvements from 1982, increasing in both residential and nonresidential building awards.

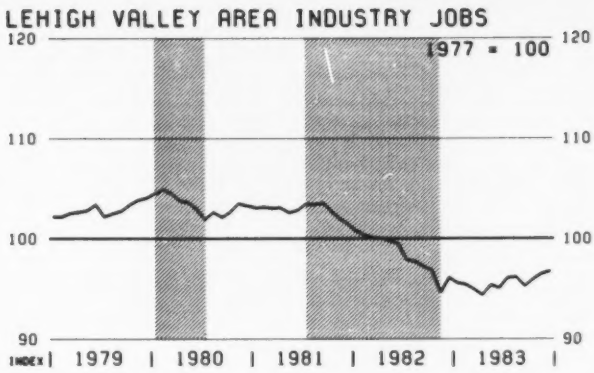
Reading Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'83	4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	153.8	112.	110.	105.
Unemployed, no. of residents	11.3	136.	145.	190.
Civilian labor force, no. of residents	165.1	113.	112.	110.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	140.7	105.	103.	101.
Nonmfg. only, no. of jobs	87.1	107.	105.	105.
Mfg. only, no. of jobs	53.6	104.	100.	94.
Hrs. worked by production workers in mfg., *ave. weekly*	41.2	104.	103.	98.
Industrial electric power sales	***	126.	121.	99.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	15.3	−14.5	+37.8
Nonresidential contracts only	8.2	+ 3.8	−29.9

[1] Berks County





Electric power use by industries, which reflects short-run changes in industrial production, rose last quarter in Easton and remained stable in Bethlehem and Allentown. In 1983, the average monthly level of sales for the area was 3 percent higher than the 1982 average.

Northeast

The economy of the Northeast metropolitan area showed little change during the fourth quarter of 1983. Job levels in manufacturing industries increased slightly while the average factory workweek shortened a bit in length.

Average job levels for the year were down from a year earlier in both the manufacturing and nonmanufacturing sectors, with most of the job losses occurring in the area's factories.

Total resident employment remained unchanged from a year earlier at 255,400 workers, but the average monthly jobless rate rose half a percentage point to 11.9 percent because of a 0.5 percent increase in the civilian labor force.

However, the seasonally adjusted level of industrial electric power sales suggests that business activity is picking up. Sales increased in every quarter of the year, with fourth-quarter sales at their highest level in two years.

York Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	167.6	111.	111.	108.
Unemployed, no. of residents	16.5	182.	178.	221.
Civilian labor force, no. of residents	184.1	115.	115.	115.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	151.2	106.	104.	103.
Nonmfg. only, no. of jobs	92.0	111.	110.	109.
Mfg. only, no. of jobs	59.2	98.	95.	95.
Hrs. worked by production workers in mfg., *ave. weekly*	41.9	101.	100.	96.
Industrial electric power sales	***	101.	97.	87.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	17.1	−24.3	+27.6
Nonresidential contracts only	11.1	+18.1	+24.7

[1]Adams and York Counties

The value of contracts awarded for construction dropped during the fourth quarter of 1983 from a quarter earlier but was ahead of the level registered a year ago. While residential building construction improved 63 percent over its 1982 level, the value of contracts awarded for nonresidential building construction still lagged behind the 1982 level by 4 percent.

Williamsport

Job levels picked up in the Williamsport area during the fourth quarter of the year in both the manufacturing and nonmanufacturing sectors. But while the nonmanufacturing sector had regained the employment level prevailing at the beginning of the year, the increase in factory jobs in the fourth quarter was not enough to offset losses in the first three quarters.

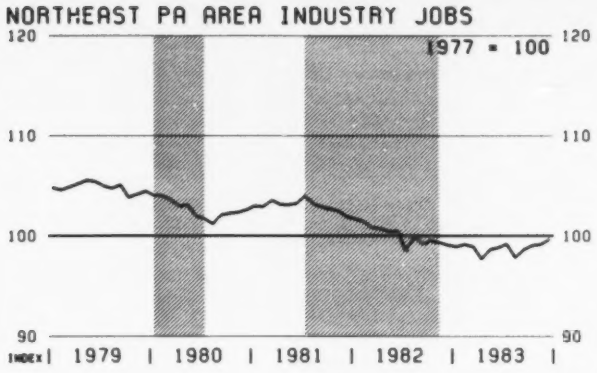
Williamsport's 17.2 percent decline in the average level of employment for durable goods manufacturing in 1983 was the third highest percentage drop among the state's major metropolitan areas. However, the job level in nondurable goods manufacturing improved during the year, and employment in the nonmanufacturing sector remained virtually unchanged.

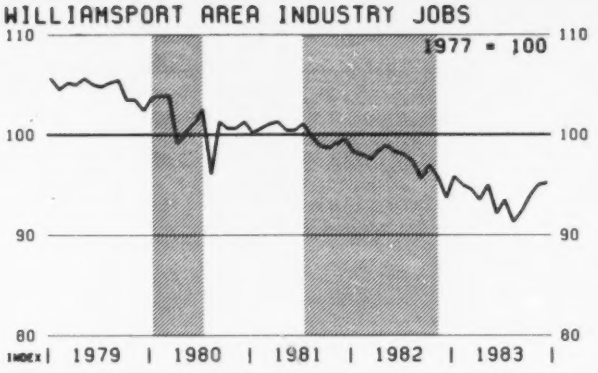
Lehigh Valley Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	280.4	101.	101.	99.
Unemployed, no. of residents	29.1	144.	156.	182.
Civilian labor force, no. of residents	309.4	104.	105.	105.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	248.4	96.	96.	96.
Nonmfg. only, no. of jobs	160.0	107.	107.	106.
Mfg. only, no. of jobs	87.7	82.	81.	83.
Hrs. worked by production workers in mfg., *ave. weekly*	38.8	101.	99.	97.
Industrial electric power sales				
Metropolitan area	***	106.	105.	95.
Allentown	***	99.	99.	95.
Bethlehem	***	110.	110.	89.
Easton	***	104.	99.	116.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	35.1	−32.2	0.0
Nonresidential contracts only	18.2	−66.4	−37.9

[1]Lehigh, Northampton, and Carbon Counties, Pa., and Warren County, N.J.





Other economic indicators showed a slowdown in the average pace of the economy in 1983 from a year earlier. The average length of the factory workweek last year was half an hour shorter than it was in 1982, and the average monthly level of sales of electric power to industries dropped 1.1 percent.

On the other hand, construction activity picked up considerable momentum in the area last year. The value of construction contracts awarded for residential buildings was 89 percent higher in 1983 than a year earlier, and contracts for nonresidential buildings increased in value by 60 percent.

Northeast Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents				
Northeast metropolitan area	262.3	105.	105.	103.
Lackawanna County[2] only	93.4	105.	105.	103.
Luzerne County[3] only	140.5	105.	105.	103.
Unemployed, no. of residents				
Northeast metropolitan area	33.5	121.	119.	124.
Lackawanna County[2] only	10.1	105.	107.	114.
Luzerne County[3] only	20.3	131.	128.	127
Civilian labor force, no. of residents				
Northeast metropolitan area	295.8	107.	106.	105.
Lackawanna County[2] only	103.5	105.	105.	104.
Luzerne County[3] only	160.8	108.	107.	105.
Local industries, Northeast metropolitan area *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	231.4	99.	99.	99.
Nonmfg. only, no. of jobs	168.6	104.	104.	104.
Mfg. only, no. of jobs	62.4	88.	87.	88.
Hrs. worked by production workers in mfg., *ave. weekly*	37.4	103.	104.	100.
Industrial electric power sales				
Northeast metropolitan area	***	100.	99.	94.
Lackawanna County[2] only	***	99.	97.	94.
Luzerne County[3]	***	95.	94.	89.
Hazleton	***	86.	86.	85.
Wilkes-Barre	***	99.	96.	85.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	26.8	– 7.3	+ 17.5
Nonresidential contracts only	22.9	– 3.8	+179.3

[1]Lackawanna, Luzerne, and Monroe Counties
[2]Includes Scranton
[3]Includes Wilkes-Barre and Hazleton

Northwestern Quarter

Erie

Average job levels declined in the Erie area during 1983, with the largest percentage drop in manufacturing. Employment in the durable goods sector, which accounts for almost one quarter of all nonfarm jobs in the area, averaged more than 10 percent below the 1982 level. Nondurable goods manufacturing and nonmanufacturing industries had less serious declines in employment.

However, the average length of the factory workweek increased over the year. Increases in this measure typically precede increases in employment. During the fourth quarter, production workers averaged 41.3 hours a week — the longest quarterly average in two years.

In contrast to other areas of the state, commercial construction fared better than housing construction. The value of construction contracts during 1983 rose only a slight 2 percent from the 1982 level for residential buildings, but increased a substantial 89 percent for nonresidential buildings.

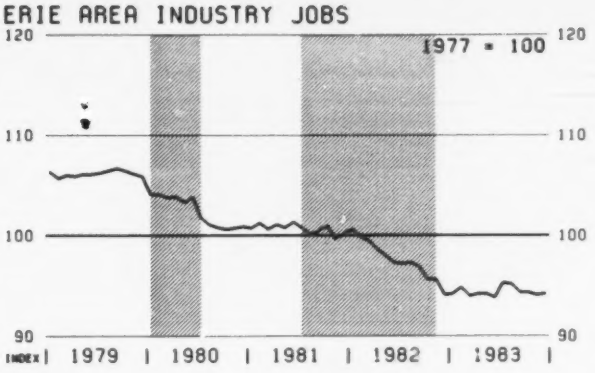
Overall industrial activity in Erie, as reflected in sales of electric power, was somewhat slower on average in 1983 than in 1982. The average index value for this measure last year was 1.2 percent below 1982's average and 20 percent below the 1977 average.

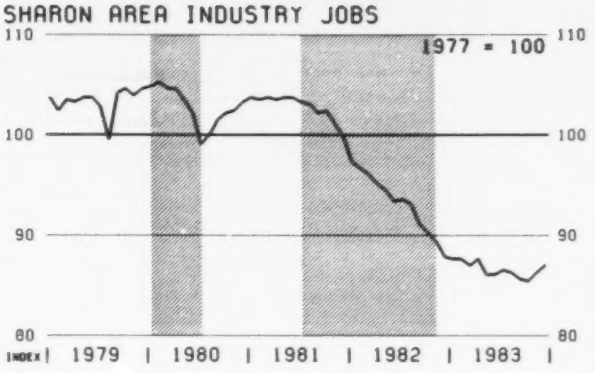
Williamsport Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	46.6	100.	98.	98.
Unemployed, no. of residents	6.5	148.	161.	167.
Civilian labor force, no. of residents	53.0	104.	104.	104.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	43.9	95.	92.	96.
Nonmfg. only, no. of jobs	29.5	104.	103.	104.
Mfg. only, no. of jobs	14.3	80.	76.	82.
Hrs. worked by production workers in mfg., *ave. weekly*	39.2	99.	101.	99.
Industrial electric power sales	***	91.	93.	88.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	2.5	–37.5	+ 25.0
Nonresidential contracts only	2.2	–68.1	+2100.0

[1]Lycoming County





Sharon

The Sharon metropolitan area again in 1983 had the greatest percentage decline in total nonfarm industry employment among the state's metropolitan areas. Most of the job losses occurred in the durable goods sector, which provided slightly less than one-fourth of the area's nonfarm industry jobs last year. Just two years earlier, this sector had accounted for almost one-third of all nonfarm jobs.

The overall job level in nonmanufacturing industries was more stable in 1983: it was unchanged after seasonal adjustment in the fourth quarter from a quarter earlier and averaged only 2 percent lower in 1983 from a year earlier.

Unemployment in the area averaged 18.1 percent of the civilian labor force during 1983. This was the second highest jobless rate among the state's metropolitan areas. Only Johnstown had a higher rate.

Along with the high unemployment rate, there was a 5.6 percent drop in total resident employment from 1982 to 1983.

Industrial electric power sales, an indicator of short-run changes in industrial output, declined slightly in the fourth quarter of last year after seasonal adjustment but for the year averaged 17.6 percent above the 1982 average.

Activity in the area's construction industries was mixed last year. The value of residential building contracts more than doubled from a year earlier while the value of nonresidential building contracts was only one-fourth the 1982 value.

Erie Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	111.4	100.	101.	99.
Unemployed, no. of residents	15.4	173.	189.	205.
Civilian labor force, no. of residents	126.8	105.	108.	107.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	104.8	94.	95.	95.
Nonmfg. only, no. of jobs	70.0	103.	104.	104.
Mfg. only, no. of jobs	34.7	81.	81.	82.
Hrs. worked by production workers in mfg., *ave. weekly*	41.3	99.	101.	97.
Industrial electric power sales	***	85.	84.	74.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	5.2	−59.7	+ 26.8
Nonresidential contracts only	21.6	+96.4	+292.7

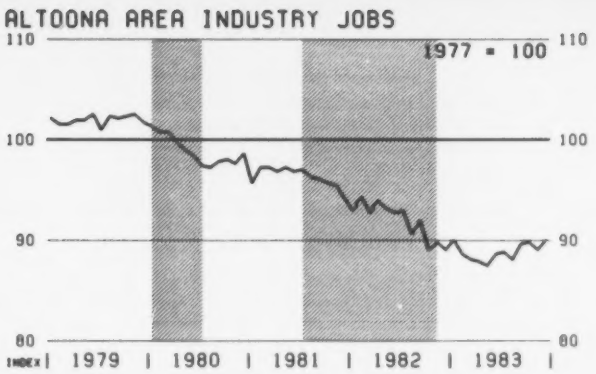
[1]Erie County

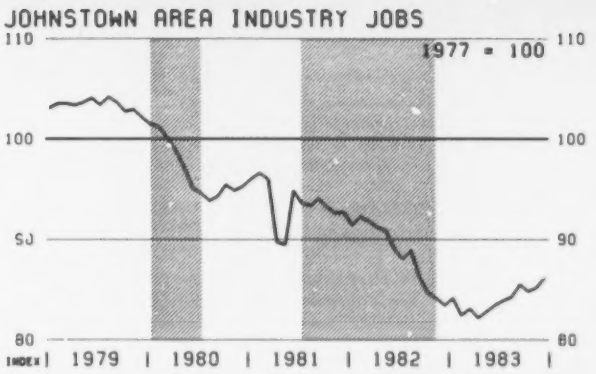
Sharon Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	44.6	92.	92.	92.
Unemployed, no. of residents	7.3	186.	214.	256.
Civilian labor force, no. of residents	52.0	99.	101.	105.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	39.3	86.	86.	90.
Nonmfg. only, no. of jobs	28.9	99.	99.	101.
Mfg. only, no. of jobs	10.3	64.	64.	70.
Industrial electric power sales	***	109.	112.	92.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	6.5	+22.6	+116.7
Nonresidential contracts only	1.8	−70.5	+157.1

[1]Mercer County





Southwestern Quarter

Altoona

High unemployment continued to plague the Altoona region during 1983. The area's unemployment rate rose to 15.6 percent from its 1982 level of 13.1 percent. Only the Johnstown and Sharon areas had higher jobless rates.

The average annual job level in manufacturing industries dropped substantially in 1983, with especially large declines in nondurable goods manufacturing. Nevertheless, by the end of the year, the factory job level was rising.

The nonmanufacturing job level also declined during the year, but no marked gains were evidenced by the fourth quarter.

The average length of the factory workweek increased in 1983, but that increase was concentrated in the nondurable goods sector. Production workers in durable goods industries worked 0.4 of an hour less on average in 1983 than in 1982.

The construction industry showed a small improvement last year in the value of contracts for residential buildings. However, the value of contracts for nonresidential buildings remained 70 percent below the 1982 level.

Sales of electric power to industries were up during the final quarter of the year, but a decline of 4.9 percent over the 1982 average for this measure indicates a slower overall level of industrial activity in 1983.

Johnstown

The Johnstown area remained in an economic slump in 1983. The average monthly level of sales of electricity to industrial users, which reflects changes in overall industrial activity, was down 19 percent from a year earlier. In addition, unemployment in the area — at 20 percent of the labor force — was the highest among the state's 14 metropolitan areas.

The steep declines in manufacturing job levels were concentrated in the durable goods sector. Employment in these industries averaged 21.8 percent lower in 1983 than a year earlier. In contrast, the average annual employment level in the area's nondurable goods industries remained stable at the 1982 level.

Johnstown also had the greatest percentage decline in nonmanufacturing employment among the state's metropolitan areas.

But employment conditions should look better in 1984.

Altoona Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	49.2	95.	94.	93.
Unemployed, no. of residents	7.4	180.	212.	210.
Civilian labor force, no. of residents	56.6	101.	103.	101.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	45.7	90.	89.	89.
Nonmfg. only, no. of jobs	34.5	91.	91.	91.
Mfg. only, no. of jobs	11.2	86.	82.	85.
Hrs. worked by production workers in mfg., *ave. weekly*	39.2	104.	102.	100.
Industrial electric power sales	***	79.	78.	73.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	3.5	−50.7	−18.6
Nonresidential contracts only	1.2	+20.0	−87.6

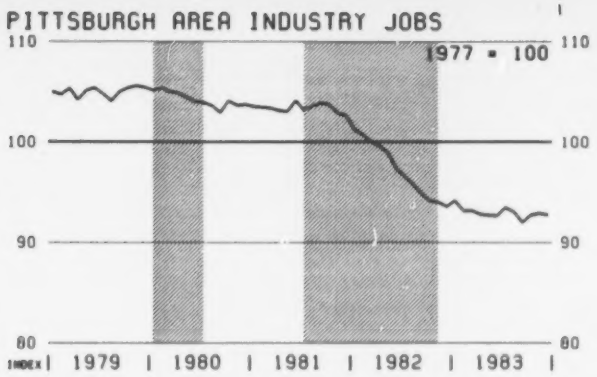
[1]Blair County

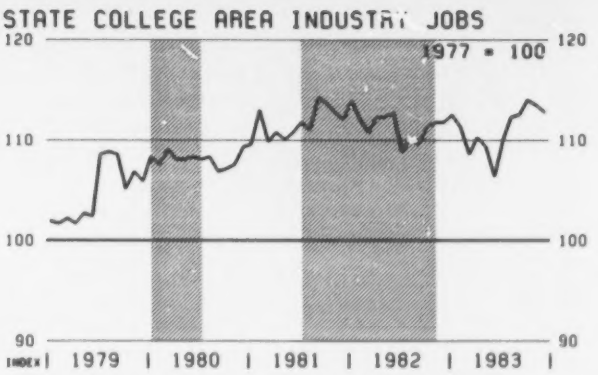
Johnstown Area[1]

	Ave. mo. value 4 Q.'83	Average monthly index seas. adj. (1977 = 100) 4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	88.5	90.	89.	87.
Unemployed, no. of residents	16.0	151.	181.	203.
Civilian labor force, no. of residents	104.5	96.	98.	99.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	75.2	85.	84.	84.
Nonmfg. only, no. of jobs	62.5	93.	93.	92.
Mfg. only, no. of jobs	12.7	61.	59.	60.
Hrs. worked by production workers in mfg., *ave. weekly*	37.1	95.	94.	90.
Industrial electric power sales	***	102.	90.	73.

Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Percentage Change Quarter Ago	Year Ago
Residential contracts only	5.9	−73.5	−27.2
Nonresidential contracts only	1.0	−85.9	−80.8

[1]Cambria and Somerset Counties





Both major sectors experienced job gains in the second half of 1983. Furthermore, the average length of the factory workweek increased steadily over the year.

The performance of the area's construction industry was mixed. The value of residential building contracts awarded last year was 38 percent ahead of the year-earlier value while the value of nonresidential building awards was less than half the 1982 value.

Pittsburgh

The Pittsburgh area economy was marked last year by heavy job losses in manufacturing industries. Among Pennsylvania's metropolitan areas, only the Sharon area had a greater percentage decline in the average annual factory job level. The area also had the third greatest percentage decline in total employment and in total nonfarm industry jobs.

The area's average monthly unemployment rate in 1983 rose to 14.6 percent of the civilian labor force from 12.3 percent in 1982. But by the end of the year, the jobless rate was back down to 12.5 percent on a seasonally adjusted basis.

Furthermore, the workweek lengthened in both durable goods and nondurable goods industries. Increases in this measure usually foreshadow increases in employment.

Pittsburgh Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'83	4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	900.5	98.	99.	97.
Unemployed, no. of residents	124.2	199.	216.	240.
Civilian labor force, no. of residents	1,024.7	105.	106.	107.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	849.7	93.	93.	94.
Nonmfg. only, no. of jobs	682.7	102.	103.	103.
Mfg. only, no. of jobs	166.0	67.	66.	69.
Hrs. worked by production workers in mfg., *ave. weekly*	40.5	99.	98.	93.
Industrial electric power sales	***	75.	73.	55.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Quarter Ago	Year Ago
Residential contracts only	82.4	−33.4	+43.6
Nonresidential contracts only	69.1	−53.6	−59.9

[1]Allegheny, Beaver, Washington, and Westmoreland Counties

Sales of electric power to industries were up in the fourth quarter of 1983 and for the year overall, indicating some recovery in factory output. However, the average monthly index last year for this measure, at 67 (1977=100), was still very low.

Construction contract awards dropped in value during the fourth quarter and trailed the overall statewide figures for the year. The value of residential building awards was 28 percent higher than a year earlier in Pittsburgh compared to a statewide increase of 46 percent. In addition, the value of nonresidential building awards was down 26 percent in the area compared to a lag of 7 percent in the state.

State College

The State College area economy had its best quarter ever at the end of 1983 in terms of total employment and job levels in all nonfarm industries. Both of these measures registered new quarterly highs in the fourth quarter.

Nevertheless, the seasonally adjusted unemployment rate remained at 9.4 percent of the civilian labor force that quarter and averaged 1.1 percentage points higher last year than in 1982.

Employment losses in 1983 were concentrated in durable goods industries. The annual average job level remained unchanged in nondurable goods production and rose in the nonmanufacturing sector.

State College Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	4 Q.'83	4 Q.'83	3 Q.'83	4 Q.'82
Employment *(in thousands)*				
Employed, no. of residents	48.3	114.	114.	110.
Unemployed, no. of residents	4.7	184.	187.	203.
Civilian labor force, no. of residents	53.0	119.	118.	116.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	46.7	114.	112.	112.
Nonmfg. only, no. of jobs	39.5	114.	112.	112.
Mfg. only, no. of jobs	7.2	114.	110.	110.
Industrial electric power sales	***	98.	95.	84.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total 4 Q.'83	Quarter Ago	Year Ago
Residential contracts only	6.8	−55.0	+38.8
Nonresidential contracts only	3.5	−49.3	−36.4

[1]Centre County

Industrial electric power sales in the area improved during the October to December quarter and the average monthly level of sales for 1983 was 4.5 percent higher than it was in 1982.

The value of construction contracts awarded for residential and nonresidential buildings declined in the fourth quarter but showed strong improvements for the year. The annual total value of awards for residential buildings was up 90 percent from a year earlier while the total value for nonresidential buildings was up 31 percent.

— *Anita J. Katz*

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